

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1005 – HB 948

March 25, 2013

SUMMARY OF ORIGINAL BILL: Deletes the authority of the Board of Trustees for the Tennessee Consolidated Retirement System (TCRS) to allow employment credit for previous service in a capacity other than that which is certified by an employer for service rendered to the employer or its predecessor.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENTS (004161, 004990): Amendment 004161 deletes and rewrites the bill establishing the “Hybrid Retirement Plan for State Employees and Teachers”. This new plan contains elements of a defined benefit plan and a defined contribution plan. Amendment 004990 provides language indicating the legislative intent to offer a managed option investment component to the defined contribution part of the pension plan, and authorizes the State Treasurer to offer financial education services for participants.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- According to TCRS, this bill as amended will not result in any additional pension liability.
- According to TCRS, this bill as amended will only affect newly hired personnel and will not impact those who have existing service in TCRS.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/cce